Virtue Ethics as a Resource in Business

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ABSTRACT: This article provides an account of virtues as praiseworthy traits of character with a far-reaching capacity to influence conduct. Virtues supply their possessors both with good reasons that indicate, for diverse contexts, what sort of thing should be done and with motivation to do them. This motivational power of virtue is crucial for the question of what kind of person, or businessperson, one wants to be. The article shows how the contrast between virtue ethics and rule ethics is often drawn too sharply and indicates how virtue theories can incorporate both theoretical and practical uses of rules. More generally, it shows how a virtue orientation affects attitudes in management practices and how an understanding of certain virtues can help in making better decisions, both ethically and in relation to success in business.

KEY WORDS: virtue, management, leadership, ethical behavior, vice

VIRTUE ETHICS provides unique resources for moral thinking, and some writers and teachers in ethics regard it as superior to rule theories for at least the practice of business and in other professional settings. The most notable rule theories with which it is commonly contrasted are Kantianism, utilitarianism, and intuitionism. This article will not systematically compare any virtue-ethical position with any rule theory, but it will bring out some of the resources of virtue ethics—or at least of certain distinctive uses of virtue-theoretic—aretaic—concepts—for business, and especially for the exercise of leadership in managing business organizations. Part I will clarify the notion of virtue and illustrate its application in business. Part II will sketch a virtue-ethical theory applicable in business organizations. Part III will indicate how such a theory may help in decision-making in business, and the final part will stress some uses of virtue concepts as ethical incentives, and in moral discourse, both in business and elsewhere.

I. VIRTUES AS TRAITS OF CHARACTER

We might begin with a general and perhaps uncontroversial characterization of virtues. They are traits of character that constitute praiseworthy elements in a person’s psychology. To have a virtue is to have a praiseworthy character trait appropriate to pursuing the particular kind of good with respect to which the trait counts as a virtue. Take justice and generosity. For the former, the good in question concerns what is obligatory or permissible in a moral sense, as with a fair distribution of benefits to a company’s workers. For the latter, the good is roughly enhancement of well-being. Virtues vary along many dimensions. They may be more or less deeply
rooted; more or less dominating in the person’s behavior; more or less integrated with other traits of character, including non-virtues and conceivably all the virtues; and variable in many other ways.

In any virtue, both cognitive and motivational elements are central. A virtuous person, say one with veracity, must have certain beliefs, say about what truly represents their own attitudes: an ignorant self-description is not dishonest even if it is false. Virtuous persons must also have desires (or other motivational elements, e.g. intentions) appropriate to the virtue, such as, in the case of fidelity, a desire to stand by friends. One of the challenges for ethical business is how to strengthen these morally desirable traits in employees at all levels. How, for instance, can a sales force be trained to be clever, even at times shrewd, without sacrificing basic honesty?

It should facilitate thinking about virtue to note that any analysis of the notion should include at least six dimensions. Let us consider these in turn.

Field
The first dimension is the field of a virtue, roughly the kind of human situation, such as distributing year-end bonuses to employees, in which it characteristically operates. The field of, for example, beneficence is open-ended, but encompasses the wide range of opportunities for actions affecting others, particularly as they bear on reducing others’ pain, enhancing their pleasure, or providing for something else that is rewarding. Even if commercial success, say, is a goal of virtuous activity—a target at one end of the field, we might say—virtue ethics stresses how one reaches it. The shortest route may be neither personally fulfilling nor ethical. If entrepreneurship is a virtue in business, as it is plausibly taken to be—and not just a powerful motive—the amassing of wealth by just any possible means is unacceptable; the entire effort to reach that goal is constrained by other virtues, such as honesty, fidelity, and beneficence. Virtue ethics stresses day-to-day activity, not just end results. The example brings out, however, that some virtues have a narrower field than others; beneficence is a human virtue, entrepreneurship a less general one. But the narrower—“specialized”—virtues operate consistently with the most general ones. A virtue in business—as opposed to a habit or unrestrained talent—could not be a vice elsewhere. It could have counterproductive manifestations elsewhere, as with initiative, unrestrained on social occasions, yields boorish intrusiveness. But virtue is in one way self-referential: it carries within itself a sense of when it is to be manifested in action. In a perfectly virtuous person, moreover, there will be a unity of character, a kind of integrity, which provides an overall framework for decision and action.

Target
The second dimension is specified by the characteristic targets the virtue leads the agent to aim at. For beneficence, the major target is the well-being of others, for honesty, avoidance of deceit, for humility, appropriate restraint about describing one’s accomplishments. And so forth. The target of a virtue may, however, be internally pluralistic. Thus, if beneficence has the well-being of others as its target, this
by no means implies that beneficent persons have a monolithic aim. The good of some employees, for instance, is very different from the good of other employees. This applies to differences in level, job description independently of level and, in some cases, gender.

**Beneficiaries**

The third dimension of aretaic analysis is closely related to the second. It is the beneficiaries of the virtue, above all (and perhaps solely) the person(s) who properly benefit from realizing it: for veracity, interlocutors in general; for fidelity, family, friends, or larger groups such as one’s coworkers; for self-discipline, mainly oneself; and so forth. In business, any virtue ethics will take at least owners, customers, and employees as essential beneficiaries. A challenge for virtue ethics in business (as for any view in business ethics) is how to balance commitments to these constituencies. What is good for owners may be bad for employees.

**Agential Understanding**

The fourth dimension of analysis is an element of intellect: the agent’s understanding of the field of the virtue, for instance of criteria for benefiting others. Such understanding need not be perfect, but one cannot hit a target without a good sense of where it is or what means will hit it. Take leadership as a paradigm of a managerial virtue. A good leader must know both what the team should aim at and how to help people with very different tasks to play their part effectively.

**Motivation**

Fifth, there is the agent’s motivation to act appropriately in that field in a certain way—the way fitting to the virtue. Take a desire to contribute to the well-being of customers, as opposed to wanting just profits; he former but not the latter desire befits beneficence. Moral virtue requires not just good deeds, but good motives, particularly intentions, which are in part a kind of dominant motive. Good will, then, is crucial for virtue, and it has a way of manifesting itself not just in deeds but also in perceptible elements of intonation and style. Customers—and especially employees—tend to respond very differently to salespeople or managers who, manifesting good will, care about their satisfaction and well-being rather than just the transaction.

**Grounding**

Sixth, there is the psychological grounding of the relevant action tendencies. Virtuous action is not just action by someone who has virtue, but action grounded in virtue. It is, so to speak, the attachment of the action to the virtue it should reflect. Such good grounding of conduct comes from the agent’s having a sufficiently strong disposition to act on the understanding and motivation that are the basis appropriate to manifesting the virtue. Compare acting from concern with fairness or service to others rather than from concern with one’s own personal projects. This notion is important for distinguishing actions merely in conformity with virtue from those
performed from it. Only the latter are truly virtuous, in the sense implying that they bespeak an element of good character.

These six aspects of virtue are useful in explicating action from virtue, the kind we should aim at. Let us first consider the field of a virtue of character and the agent’s understanding of it.

Take justice as a virtue. The field of justice might be above all distribution of goods and evils, including punitive elements, as where employees violate company rules. Consider how a just person understands the field of justice. It would be natural for the appropriate understanding to manifest itself in believing that distributions, say of salary or bonuses, create a duty to identify relevant merits and to proportion outlays to them, and that sharp deviations from this pattern in the behavior of others provide a reason to try to restore it. How might such a person deal with the issue of affirmative action? Suppose a company has only a tiny proportion of women in management. A just CEO who wants to change this will seek a way to be both honest and fair. One consideration might be a different virtue—fidelity. If the company has a mission statement calling for diversity as well as non-discrimination, then some measure of affirmative action—perhaps for a limited time—might be squared with justice. If not, the CEO may at best have great difficulty finding a virtuous rationale for preference. This illustrates a kind of problem any ethical approach may face, but virtue concepts have an advantage here. There may be no moral rule that can determine what to do, but executives might still be guided by a sense of what, in the context, justice, honesty, fidelity, and other virtues require. This may yield at least as good a decision as simply rewarding merit by some apparently fair formula that may be too rigid to yield optimal results.

A moral field cannot be understood without a sense of its (moral) demands, but that sense is not restricted to either virtue concepts or hedonic ones (as some utilitarians may tend to think) or deontological principles (as Kantians may tend to think). There do seem, however, to be some general requirements for understanding any moral field. Take justice again. Here a kind of impartiality must be recognized as necessary, and the well-being of people must also be given some weight. More broadly, the relevant norms must be, if not “designed” to overrule self-interest, then capable of conflicting with it. But even self-interest need not be construed narrowly. Narrowly conceived as self-aggrandizement, it smacks of greed and is a vice; as united to a normal desire to make a good profit, it may simply represent a central capitalistic virtue: enterprise. This is a kind of mean between the deficiency of timidity and the excess of greed.

From the point of view of social psychology (and perhaps also more specifically of organizational behavior theory), it is useful to conceive the relevant traits—at least traits of broadly moral character—as constituted by fairly stable and normally long-standing wants and beliefs. Consider fairness. It requires both appropriate wants, such as desires to treat people equally, and also certain beliefs, say a belief to the effect that one must provide the same opportunities and rewards for people in the same circumstances. These wants and beliefs do not rule out spontaneity. But even being spontaneously fair is more than a matter of simply doing the relevant kinds of deeds. The deeds must be appropriately aimed, in terms of what the agent
wants and believes, or they are not moral, in the sense of ‘morally performed’, but at most merely consistent with what morality requires. If I give my employees the same bonus only because I like them equally well, then even if they all happen to be equally deserving, I am not exhibiting fairness as a virtue; the fairness of my distribution is coincidental. This is acting merely in conformity with virtue, not from it.8

If virtues of character (at least of moral character) are conceived as cognitively and motivationally constituted in the way illustrated, then we each normally have a measure of indirect control over certain of our own traits, through the kind of indirect control we have over our wants and beliefs. This point is central both for moral education and for business practices that are intended to support ethical conduct. To be sure, normal agents are not directly responsible for producing either their beliefs or their wants. We can produce them by doing certain things, but normally we cannot produce them except through indirect and often arduous means. This does not imply, however, that we are not indirectly responsible for having produced, and certainly for maintaining, certain of our traits. A selfish person who, as a foreseeable and avoidable result of the selfishness, is unfair but wants to reform, can, through repeated self-discipline, become unselfish and fair. With this kind of possibility in mind, one could both recognize indirect responsibility for a bad trait and successfully take responsibility for replacing it with good ones. With sufficient commitment to moral standards, it is sometimes possible to become to a significant extent morally self-made.

Here a remarkably Aristotelian passage in Shakespeare’s Hamlet is quite apt. Hamlet says to his mother, concerning her marriage to his murderous uncle:

Assume a virtue if you have it not.
That monster, custom, who all sense doth eat,
Of habits, devil, is angel yet in this,
That to the use of actions fair and good
He likewise gives a frock or livery
That aptly is put on. Refrain tonight
And that shall lend a kind of easiness
To the next abstinence, the next more easy.
For use almost can change the stamp of nature. (Act III, scene iv, lines 160–67)

Not only does this suggest that a (certain kind of) virtue can be acquired; it also indicates how habituation can be a route to developing virtue. If Aristotle stressed the development of virtue in education from childhood rather than later in life, nothing in his virtue ethics precludes his also countenancing Hamlet’s suggested route for adults. There is no reason to doubt that similar good results might be achieved by requiring ethical conduct in business.

II. VIRTUE ETHICS AS PROVIDING A MORAL THEORY FOR BUSINESS

Given the understanding of virtue expressed in Part I, it should be clear that the notion is morally significant and that the range of virtues is wide enough to provide raw material, and at least a partial basis, for comprehensive ethical theory with
applications in business as elsewhere. But can virtue ethics also provide a broad standard for virtue in business? Aristotle set out a comprehensive virtue theory and is a good point of departure here. He apparently took moral traits of character to be ethically more basic than moral acts. He said, regarding the types of acts that are right, “Actions are called just or temperate when they are the sort that a just or temperate person would do” (*Nicomachean Ethics* 1105b5ff.). It is virtues, such as justice and temperance, rather than acts, that are ethically central for Aristotle. He says, for instance, “Virtue makes us aim at the right target, and practical wisdom makes us use the right means” (1144a).9

Aristotle understood the virtues in the context of his theory of the good for human beings. This good is happiness—‘flourishing’ is perhaps a better translation, since *eudaemonia* (his word for “happiness”) is not a passive state but requires a life in which “actions and activities . . . that involve reason” (which is our distinctive characteristic) are central. The “human good,” then, proves to be activity in accord with excellence (1098a14–17).

How might such a conception of human good shape a virtue-ethical standard for business? To answer this we must distinguish between comprehensive and role-specific virtues. A comprehensive virtue, such as honesty, impacts virtually everything we do, certainly all our social interactions. But a role-specific virtue, such as leadership, may affect only our activities in a special role, in this case one in which we have authority. The comprehensive virtues are needed by all of us and constrain the way the role specific-virtues operate; the role-specific virtues are ethically essential for those in the relevant roles, but may benefit many others. Anyone can be a leader, in some way, for someone or other.

Consider managerial roles. In addition to leadership, these call for the virtue of consistency, particularly in behavior (logical consistency is a requirement of rationality itself and needs no special treatment here). Managers must be seen not only as exhibiting justice—a comprehensive virtue—but as reliably consistent in policy. Reasoned revisions in policy, but not whimsical changes, can go with the virtue of consistency. By contrast, rank-and-file employees need the role-specific, complementary virtue of cooperative subordination: they must play on a team under a leader. This is not to deny that sometimes high-level managers may properly be uncooperative or even insubordinate, but at higher levels leadership is more consultative and leaves more room for discussion preceding or even following the issuance of orders. This point is itself a comment on the requirements of the role-specific virtue of leadership.

So far, we have not addressed a problem for virtue ethics. Suppose we conceive virtue ethics as is usual and take *traits* as ethically more basic than *acts*. How does a virtue theory enable us to determine what to *do*? Ethics largely concerns conduct, and business ethics is charged with helping us to make good decisions on difficult problems. How do we figure out what counts as, for instance, acting fairly, generously, or honorably?

Virtue ethics has resources for answering this, including the appeal to practical wisdom as applied to the context of decision. A person of practical wisdom is a paradigm of one having virtue, and in a famous passage Aristotle calls virtue...
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a state that decides, consisting of a mean, the mean relative to us, which is defined by reason. . . . It is a mean between two vices, one of excess and one of deficiency. (1107a1–4)

Consider beneficence. If, relative to my resources, I am selfish and ignore others’ needs, this is a deficiency; if, today, I contribute so much to charity that I am prevented from doing much greater good through contributing gradually, I am excessive. Good ethical decisions, on this view, may be seen in the light of such comparisons. With charity, one might think that utilitarianism is far better off, but that is not so. Utilitarians must calculate the effects of contributions—both in terms of the good they do for beneficiaries and in relation to the suffering they may cause the giver. Such calculation is immensely difficult and must often be rather conjectural. Moreover, how can I tell when my sacrifices will reach the point of diminishing returns in my productivity, in which case they fail to maximize utility? And does ethics require that I go even this far? Is that question answered any better by utilitarianism than by an attempt to decide at what level of charitable giving the virtues of beneficence, fidelity to those I have commitments to, and the quest for excellence are in balance?

Might we appeal here, as some economists might suggest, to instrumental rationality—taken to be a matter of a certain kind of efficiency in desire satisfaction—as a partial basis for determining what counts as virtuous without presupposing prior normative notions? Might we manage our ethical problems, at least in business, by a kind of hard-nosed cost-benefit analysis? This approach would clearly fail if we take maximizing desire-satisfaction as, by itself, a basic standard of rationality; we then get a subjectivism that allows each to pursue basic desire unrestrictedly. But if we presuppose what might be considered normal basic desires in human beings, for instance to avoid pain, achieve pleasurable experiences, and live in peace with others, instrumental success counts positively toward at least the virtue of prudence and, more important—failure to avoid what is painful counts toward folly. Prudence, however, is not the whole of virtue and can conflict with what morality requires. Moreover, prudential success and failure here are themselves partly relative to the rationality of the agent’s beliefs. Consider failure in a new product line, as with Ford’s Edsel, which consumers did not much like. If the planning was rational throughout, the failure might have been unpredictable and might be excusable; there it need not indicate folly. Instrumental rationality, then, cannot help with our ethical problems apart from independent theories—such as we find in virtue ethics and other major ethical theories—of ethically appropriate basic desires and an account of rational belief.

This article will leave open whether aretaic concepts are basic in the way a strong virtue ethics requires. Whether or not this is so, virtue concepts are essential in the theory of moral worth, which concerns evaluating the moral creditworthiness of actions and, directly related to this, the ethical goodness of character. Doing the right thing for the wrong reason brings us no moral credit; and treating people well in order to manipulate them later does not bespeak good character. Thus, even if we can determine what acts are right without depending on an account of virtue, we cannot decide when actions deserve credit, or what counts as a good person, without using certain notions central in virtue ethics.
It is important to see, however, that even if virtue concepts are not conceptually basic, virtue ethics might still provide criteria for right action, and certainly for creditworthy action, by providing either necessary conditions or sufficient conditions or conditions that are both necessary and sufficient. Right action can be equivalent to action in conformity with virtue, and acting rightly—the richer notion of doing the right thing for an appropriate reason—can be equivalent to virtuous action, even if the concept of virtue cannot be explicated apart from other kinds of concepts, such as those of the plurality of irreducibly different obligations posited by intuitionist ethics: for instance, behavioral obligations of beneficence, veracity, and fidelity.

The point that providing criteria for right action does not require an analysis of the notion of right action, much less an account of it in any particular set of concepts, is important. It is especially important for normative ethics. For even if it should be true that the concept of right action is explicable only in terms of, say, maximizing the good (as utilitarians hold) or following the categorical imperative (as Kantians maintain), the practical conduct criteria formulable using these high-sounding standards might not prove illuminating in day-to-day decisions on what is right, wrong, or obligatory. These are criteria that enable the ready identification of such conduct or at least its identification in terms of salient properties of behavior and context. Knowledge of these properties and their ethical significance facilitates the moral education of children and, even for morally mature agents, moral exhortation and guidance. If we add the point that—since the right deed can be done for an immoral reason—an account of rightness is not sufficient for an account of moral worth, of the creditworthiness of actions, virtue concepts would be ethically important for their indispensable role in clarifying that notion even if they did not provide a basis for plausible criteria of rightness. It may be that working in day-to-day-ethics with virtue concepts also tends to be motivating in ways that working with rule concepts is not.

III. VIRTUOUS PERSONS, ACTION FROM VIRTUE, AND VIRTUOUS ACTION

So far, my concern has been to show how, as ethical theory, virtue ethics can provide a useful orientation in business. But virtue ethics has particular strengths in the normative domain. For one thing, any ethical theory should help us identify morally good persons. This is crucial in hiring and in evaluating people: inside an organization, by their supervisors, and outside it by shareholders, regulatory agencies, and prospective customers or stockholders. Doing this is, for practical purposes, impossible without relying on virtue concepts, for instance honesty, fairness, and loyalty. Indeed, if we cannot identify and describe morally good persons in fairly simple terms, moral education is at best stymied. We would not even have a clear conception of how to serve as role models in ethics—a task whose importance deserves emphasis. For another thing, overall moral evaluation of persons requires not just observing their actions but also determining how those actions are grounded in character. Only when we know that do we know how to credit the person and what to expect in new circumstances.
To understand moral virtue adequately, we must distinguish what might be called omnibus traits from virtues of character. Omnibus traits need not be moral, but it is the moral ones that are pertinent here. Consider goodness and rectitude and, on the opposite side, badness and turpitude. These are overall characteristics possessed on the basis of a weighted combination of traits or qualities. A person of rectitude, for instance, is morally good, but the ascription specifies no particular moral trait. By contrast, justice, fairness, honesty, loyalty, and benevolence are specifically moral traits. Although none of these traits is sufficient by itself for being morally good overall, each counts toward its possessor’s being moral, at least in the sense that by its very nature it is a moral merit. Similarly, for the negative case: being unjust, unfair, dishonest, disloyal, or malevolent are by their nature moral defects.

We have distinguished between acting from virtue and acting merely in conformity with it, as does someone simply pretending to be ethical, as in perpetrating a Ponzi scheme. Central to the former is acting for a kind of reason that is appropriate to the virtue. In addition, such action entails the possession of the virtue that grounds the action: we cannot act from a trait without having it. Still—putting the point in terms that parallel Kant’s reference to doing things “from duty”—although every action from virtue is a virtuous action, not every case of the latter is a case of the former. This is because one can act for the right sort of reason—and so virtuously in a full-blooded sense and not merely in conformity with virtue—even without having a virtue appropriate to acting for that reason. This may occur during moral education, in which one can do things for good reasons along the way to developing a virtue, but before succeeding. Virtues are not normally acquired instantaneously the first time an agent performs, even for the right reason, an action required by virtue. A pattern of such acts is normally required.

This point is one that Aristotle could have granted. For the kind of habituation he considered crucial for developing virtue is not mere performance of acts of the right type—mere actions in conformity with virtue. The required acts may, and perhaps must, include some that are performed for an appropriate reason. These, however, can be performed in the course of developing virtue; they do not require its prior development. Action from virtue merits more credit for the agent (other things equal) than virtuous action that is not from virtue. This is not a matter of the type of act in question, say refunding money for a disappointing purchase. The contrast is instead intended to apply to concrete deeds of the same type, say an act of refunding $5000 based on fidelity to one’s word (hence virtuous), and another of refunding $5000 based on fear of lawsuit (thus mainly self-interested). The point holds mainly because, in the former case, the doing of the deed bespeaks the character of the agent; it does not represent just motivation and cognition appropriate to the deed but not rooted in a virtue of the agent.

To be sure, virtuous action, even when the agent has yet to develop the appropriate virtue, is still creditworthy and is to be aimed at by those self-consciously guiding conduct—their own or, especially, that of people (including employees) they are morally guiding. People having virtue will naturally act virtuously, though their doing so is by no means automatic. People trying to develop virtue should be urged to act virtuously and reinforced when they do. How, if at all, moral virtue can be
developed by adults who do not have it is a difficult question for the psychology of ethics and beyond the scope of this article. But there is no reason to doubt that people can gain in the motivation and wisdom required to realize their virtues.

Regarding daily conduct, how, in practice, is someone whose moral orientation is primarily a virtue ethics to decide what to do? Such everyday decisions may be spontaneous, but they may also have much in common with the decision-making practices of conscientious theorists with other orientations, say Kantian, intuitionist, or rule-consequentialist. Those practices often lead to the same decisions, but the path from rules to action is different from the path to action from the often more holistic virtuous appraisal of alternatives. Consider how virtue ethics bears on four areas of ethical challenge.

**Ethical Decision**

This is crucial for business ethics. One might think that a virtue-ethical perspective would commit one to guiding difficult decisions by the question, *What would a virtuous person do in this case?* But this is not the only way we might proceed, whether we adhere to a virtue ethics or simply operate with a sense of the importance of virtue in guiding our conduct. For one thing, the problems of evaluating such hypotheticals are difficult, and the guidance they provide is limited by our ability to anticipate how agents would be affected by changes of kinds that may never have occurred. These changes range from angry passions, to threats of embarrassment, to proposed bribes. For another thing, this hypothetical question invites one to proceed from an abstract understanding of the notion of a virtuous person or at least of one or more virtues. That may be illuminating, but it may also be at most minimally helpful. The point is to act from virtue, not from a conception thereof.

By contrast with this abstract approach is what might be called a *narrative approach*. Here one considers imaginary or historically relevant cases, whether from actual life or from fiction, and one imagines a role model’s resolution. The Johnson & Johnson Tylenol case comes to mind as one with positive lessons; the Enron case illustrates unethical behavior; and the Exxon Valdez oil spill illustrates a mix of both. The abstract and narrative approaches may be combined. Practical ethics as embodied in agents must reflect this point: even if their moral behavior may be sound without being grounded in virtue, their credit for it depends in part upon it. Practical ethics as a set of standards for a morally good life must take account of virtue: both the evaluation of persons and the guidance of their conduct are inadequate apart from a discriminating use of virtue concepts.

**Rules of Action**

If rule theorists make room for the kind of moral perception often needed for ethical decision, might virtue ethics also make a place for the everyday ethical rules W. D. Ross and others have taken to be partly constitutive of morality? Typical of these are rules stating prima facie (significant though not absolute) obligations of non-injury, of justice (say, proportionately equal treatment and equality before law), of veracity, of fidelity to one’s promises, and of beneficence. A strong virtue ethics will
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take virtues to be evidentially more basic than moral rules, in the sense that such moral rules as we can know or justifiedly believe are discoverable only by (above all) generalizing from sufficiently discerning observations of virtuous persons. But suppose this is so. A virtuous person may still rely on rules in many cases. These cases might include some that are of a largely unfamiliar kind on which the agent has been given credible argument supporting some rule for generally dealing with them; but any ethical person may want to formulate and be guided by a rule or principle implicit in a precedential case. Such a case may or may not have been originally resolved through using rules. That is an independent matter. The formulation of rules may be guided by observations of virtue; the development of virtue may be guided by adherence to rules.

Given the generality of moral judgments that is implicit in the widely accepted idea that like cases should be treated alike, it is at best difficult to teach virtue without at least implicitly affirming certain rules. Imagine saying to a child (as any ethical parents may, regardless of whether they are virtue ethicists) things like “Tell the truth,” “Don’t lie,” and “We have to be honest.” How is the child to develop the virtue of honesty without habitually telling the truth with an awareness that this is generally to be done? But this practice does not by itself seem sufficient: to develop honesty the child must also see that truth-telling—and avoiding lies—are not only to be done, but a good thing, and that lying is generally bad (to be avoided, wrong, “not done”). Adults, too, need reinforcement to help them avoid giving in to temptation. Here role modeling by management—combined with discipline of those who violate moral standards—is crucial.

Once it is realized that (as I have argued elsewhere) the only plausible moral rules and principles—certainly the only plausible everyday ones, by contrast with, say, the principle of utility or the categorical imperative—express prima facie rather than absolute obligations, the practical contrast between virtue ethics and rule ethics is greatly diminished. Consider child labor as a case in point. By and large, businesses should not employ children (at least those younger than, say, sixteen, in industry); it is prima facie wrong. But suppose one operates a light industry in a country in which the alternatives facing children of, say, twelve to fifteen are worse if they do not enter the workforce, and suppose one can contribute something to education and healthcare. Then the case is different, and what would have been exploitation might be beneficence. This is not to say that ‘prima facie’ or any such qualification must always come into practical formulations of everyday moral principles; the point is that the relevant types of obligations are not absolutely indefeasible. In any case, the differences that remain between rule and aretaic standards of action allow even those who are strong virtue ethicists to countenance, as initial guidelines in much of our conduct, moral rules discovered aretaically from observations of the virtuous.

Traits of Character and Grounds of Action

Given the points made so far and some of our examples, it may be evident that there is a correspondence between many major virtue concepts and at least the majority of the plausible moral principles that many writers in ethics have defended. Consider
the obligations Ross singled out: those of justice and non-injury, fidelity and veracity, beneficence and self-improvement, and reparation and gratitude. Only ‘non-injury’, ‘self-improvement’, and ‘reparation’ fail to indicate a virtue with the same name. But this is not because they indicate none; it is because they either indicate more than one virtue or because the action called for is indicated by an indefinite range of virtues or varying combinations of the effects of their exercise.

To non-injury there corresponds (among other things) gentleness, kindness, and respectfulness. To self-improvement there corresponds (among other things) being self-critical and being proud. To reparation there corresponds fairness (of a certain positive kind); the paradigm ground of the obligation to make reparation is harming someone without excuse. To do nothing is unfair.

The correspondence indicated here is significant for understanding virtue concepts. For one thing, in the morally crucial cases just cited, to have the virtue is in part to be both perceptually sensitive to the relevant grounds—which is a cognitive receptivity—and behaviorally responsive to them in the right way, which is a matter of conduct. A just person, for example (one with the virtue of justice), is (other things equal) more likely than someone who lacks this virtue to see cheating that occurs in fulfilling a contract and, certainly, to respond to it with action or at least disapproval sufficiently strong to yield action if a suitable opportunity arises. Similarly, a person who lives by the rules central for just action is more likely, other things equal, to internalize them in a way that achieves or at least supports development of the corresponding virtue. There is however, a vast range of trait terms relevant to moral appraisal of persons and their deeds, and here virtue ethicists and rule ethicists alike can refine both their perceptual capacities and their systems of rules.

**Two Types of Moral Conflicts: Virtues and Obligations**

The most common example of conflict for rule theories is conflict between promissory obligation (fidelity) and beneficence, say a promise to shareholders to improve profits and an obligation to make a mining operation safer. It should be emphasized that there are counterpart conflicts for virtues: not because the relevant virtues are incompatible—this is no more plausible than treating conflicts of prima facie duties as entailing contradictions—but because they pull the agent in different directions. Clearly a virtuous person will have traits of fidelity and beneficence and so can face similar hard decisions, as illustrated by the tension between fidelity to shareholders and beneficence to employees, whose safety may require expenditures that significantly reduce profits.

A different kind of hard case might arise for someone who is both just and forgiving. Justice might call for punishment, forgiveness for waiving it, at least given repentance in the offender. The case is different because, although the trait of forgivingness is a strength of character, it is not clear that it is a moral virtue rather than, say, a theological one. A person of overall virtue, however, will be competent to decide the matter in a reasonable way. In doing so, it may be appropriate to seek a reflective balance among the diverse inclinations that go with all of the relevant virtues. It is also reasonable to take any hypothesized resolution in a conflict case as precedential.
One might note that virtues can be clarified by contrast with their polar opposites. Take forgivingness again. Granted, its polar opposite (roughly, extreme, rancorous resentfulness) is a vice. But virtues cannot be defined by their polar opposites: the extreme opposite of the vice of stinginess is lavishness, not generosity; and generosity should not be confused with lavishness. Polar opposites are, however, guides to finding a virtuous middle. They indicate some of the raw material of the relevant virtue, as stinginess indicates a dimension of conduct crucial for understanding generosity. Nonetheless, the analysis of vice is not a sufficient basis for the analysis of virtue.

In these hard cases of conflicting normative forces, formulating a generalization that covers them is pertinent, and conscientious ethical thinking is likely to seek a general formulation that captures the intuitions about particular cases it is intended to cover. Consider decisions on recalling a medicine, a very expensive measure. Here executives will take account of possible harms, say sickness or impairment, their probability and severity, and also the cost of bad publicity for not recalling the drug. A firm like Johnson & Johnson will have a mission statement that stresses integrity and will need a stricter rule than certain other pharmaceutical companies. There will be no simple formula for ethical conduct. For the virtue ethicist, moreover, any rule one can formulate does not have independent authority as, for a Kantian, the categorical imperative does; but the availability of a plausible ex post facto rule may still be a reasonable constraint for agents guided by a virtue ethics. A virtuous agent will tend to treat like cases alike; this does not require following or formulating a rule, but responding to the relevant similarities does imply a capacity to cite them on adequate reflection, and that in turn implies an ability to frame a rough generalization. Similarly, following a moral rule requires a capacity to discern a range of cases falling under it. Whether or not we think one of these processes has higher ethical authority than the other, we may agree that both singular moral judgments and commitments to rules should be harmonized and may require adjustments on each side as a result of a search for reflective equilibrium among all the relevant facts and standards. Roughly speaking, reflective equilibrium is a condition of balance among our general principles, concrete cases that they apply to, and related beliefs and attitudes we may hold. A mature reflective moral agent will doubt, on the one hand, singular judgments that cannot be subsumed under an intuitively acceptable prima facie principle and, on the other hand, principles that cannot be supported by intuitively plausible singular judgments or by actual or hypothetical cases.

The same considerations hold for rule theorists confronted with decisions not resolved by appeal to their basic principles. But rule theorists will have fewer resources if they do not appeal to aretaic notions. It turns out, then, that just as aretaically determined decisions have a kind of responsibility to principles, decisions made by rule theorists may need or benefit from reflection on the relevant virtues. Virtue in practice leads to patterns of conduct that the rule-oriented will seek to codify; the conscientious following of the intuitively most plausible moral rules bespeaks conduct that virtue ethicists will seek to anchor in traits of moral character.
IV. SOME MAJOR USES OF VIRTUE CONCEPTS

If, in making ethical decisions, so much overlap between virtue and rule approaches is possible, why do we need virtue ethics? And why in business? I have already said that we need a moderate version of a virtue theory to account for moral worth. This is significant even if no virtue-ethical theory is essential to account for moral obligation. Let us, then, consider some elements of applied and practical ethics.

The Context of Aspiration

If any question posed by virtue ethics is central in moral practice, it is probably What kind of person do I want to be? In Aristotelian terms, this would be closely tied to the question what excellences I might develop and how the quest for them can lead to a life of flourishing in which I can take pride. We can also ask what kind of businesspersons we want to be—or teachers, lawyers, parents, and so on. But virtue ethics forces us to focus, both in self-direction and in role-modeling, on the most general evaluative terms. We can be guided in many ways by affirming commitments to fairness, honesty, loyalty, beneficence, self-improvement—and, of course, that favorite omnibus virtue in business, integrity. When, moreover, managers affirm these virtues—and role-model them—the effect on their teams can be inspiring.

To appreciate the full value of aretaic concepts in ethics, we must keep in mind that ‘aretaic’ implicitly covers vices as well as virtues. To be sure, vices are not in general precise counterparts of virtues. For one thing, they are in the main motivationally less restrictive. The veracious must tell the truth in part because they care about it; the loyal must cleave to their agreements in part from respect for them; and so forth. But, for any of a huge range of types of reasons, the dishonest may lie or cheat, the unjust may discriminate, and the cruel may cause pain. The reasons for such acts need not even be selfish. Granted, there are some exceptions to the disanalogy in question: perhaps maleficence is a virtually perfect counterpart (and polar opposite) of beneficence, or at least malevolence is of benevolence, and intemperance of temperance. But few morally bad traits are vices in this aretaic sense.

One could, then, distinguish a vice from a moral defect and hold that genuine vices, unlike moral defects in general, are counterparts of virtues but have the bad (or some aspect of it), as opposed to the good, as their target. In any case, for a full picture of the value of virtue ethics we must explore pejorative and condemnatory terms as well as the laudatory epithets that dominate much discussion of virtue ethics. The former, negative terms are crucial in moral education and in providing incentives to avoid wrong-doing. There are at least four kinds of contexts that should be considered. I begin with the pejoratives.

The Context of Prohibition

The power of pejoratives is not to be underestimated, especially in their noun forms, in which their application suggests a vice or serious defect of character. It is at best a rare person who does not have a deep aversion to being called a liar, cheat, coward, brute, bully, thief, turncoat, fraud, or phoney. Such labels are generally rejected
even by such offenders as the perpetrators of the Enron and WorldCom scandals. People seem particularly averse to being conceived in pejorative terms by those they care about, such as their children. These terms express negative attitudes and have considerable rhetorical power. The terms should be given an appropriate role in both moral education and the kind of moral reinforcement that can come with ethics codes and mission statements. In educating children, we can clarify positive standards by contrast with the deeds or patterns these pejoratives designate, and we can use those terms to discourage immoral conduct. In reinforcing adults, we can point to the vices or defects in question as negative standards, and we can reinforce motivation by ascribing them, with perceptible aversion, to people who exemplify them.

The Context of Exhortation

Nearly everyone wants to be considered (for instance) *honest, fair, loyal, just, sincere, kind,* and *generous.* These traits should be developed in moral education, and some of them figure in major moral principles, such as the eight cited above as stressed by Ross. Principles of this kind are especially useful in teaching ethics, in critically appraising actions, and in leading employees. They are also appropriate to institutional mission statements, which is a quite different thing. They have considerable exhortatory power. It is an interesting question in the psychology of ethics why these positive terms do not have quite the rhetorical or emotive power of the pejoratives cited above. One hypothesis is that we know we must be on guard against those who are bad (the vicious, in extreme cases), whereas we tend to think we may generally be comfortable with the virtuous. Another is that there is more condemnation in applying one of these pejoratives than praise in ascription of a virtue. A related hypothesis, which helps to explain the second, is that whereas overall virtue requires at least several of these virtues, overall badness of character is implied by possession of *any* of the bad traits mentioned above. Commendation is much harder to deserve than condemnation. It takes much to weave the fabric of good character, but little to stain it.

The Context of Discovery

The heuristic value of aretaic concepts has been brought out by many points in this article. We can reflect on what it is to have a given virtue. We can ask how various role models who have a virtue have acted or would act in a given situation calling for moral decision. We can look to narratives, historical or fictional, for insight into the virtues. All of these modes of discovery, moreover, apply to deciding what kind of person we want to be or, less broadly, what kind of business person we want to be. That existential question is not as well approached from the perspective of any rule theory that is not integrated with a good sense of aretaic concepts and their bearing on human life. To be sure, as adults we have only limited control of our character, but even adults can alter themselves for the better; and certainly parents can have much influence on the character of their children.
The Context of Justification

When it comes to justifying moral judgments and moral decisions, such virtue-ethical statements as ‘It was the just solution’ and ‘Loyalty demands standing by her even though she made the wrong decision’ have a kind of incompleteness. In part for this reason, although making such statements is often a good opening for a justification, anyone who doubts what is said or does not see the basis of the statement will want specific facts. Justification, by contrast with discovery, commonly requires citing facts that can be combined in at least a rough generalization. This is not a surprise if we take moral properties, such as being obligatory, being justified, or indeed being wrong, to be not only based on non-moral properties but also evidentially dependent on them in the sense that knowledge of a person’s or action’s having a moral property depends on knowledge of its having certain non-moral properties, such as being an equal distribution of money or being a promised gesture of support for a colleague. The consequent dependence of moral on non-moral properties implies that no two persons or actions can differ in their moral properties (or other normative properties) if they are alike in their non-moral (or non-normative) properties.

One idea underlying the plausibility of the view—present in Aristotle’s account of justice but also reflected in any plausible interpretation of Kant’s categorical imperative—that like cases should be treated alike is that what morally justifies a kind of action is one or more discernible properties possessed by it or by the relevant person(s) in the context. When these properties are adequately described, it is usually possible to formulate at least a rough generalization that apply to similar cases. Even if virtue leads in a quite spontaneous way to discovering what action should be taken, justifying the action usually requires formulating a general description that is a basis for a rule or principle that applies to the action. The properties crucial for such a rule or principle are, of course, just the kind to which the virtuous agent tends to be perceptually sensitive and behaviorally responsive. In some cases, what virtuous agents unself-consciously notice and respond to is a basis for formulating generalizations that they do not ordinarily need but, on reflection, can accept.

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On the view presented here, a virtue is a praiseworthy trait of character with a far-reaching capacity to influence conduct. Virtues supply their possessors both with good reasons indicating, for diverse contexts, what sort of thing should be done and with motivation to do them. Virtue is not a mere capacity for good deeds, but a settled, internally rooted tendency to do them for an appropriate reason. This motivational power of virtue is crucial for the question of what kind of person, or businessperson, one wants to be—and for the related question, How do I want to make my money? Although vices are not in general close counterparts of virtues, a good analysis of the ethical importance of traits of character should take account of vices and the moral defects associated with them. Avoiding vices and moral defects may be, if not a constitutive aim of a mature virtuous agent, then a guiding indication of the excesses and deficiencies whose identification helps us to understand virtue.
In the light of the partial account of moral virtues provided here, it is evident that their ethical importance is incalculable. This applies to the use of virtue concepts—and terms—in business practice as well as to moral thinking in general. As this suggests, the contrast between virtue ethics and rule ethics is often drawn too sharply. For even full-blooded virtue theories make room for both theoretical and practical uses of rules. If the inherent value of persons themselves and the moral worth of their deeds is the central focus of ethical discussion, virtue concepts and the insights of virtue ethics are essential for a good account. If the question of what types of act are obligatory is the central focus, then principles of conduct are essential. A comprehensive ethics, whether applied in business or employed elsewhere, needs both a theory of moral worth and a theory of obligation. Even if virtue concepts are not more basic than moral rule notions, they are both theoretically indispensable and essential in practical ethics, and their potential influence on the guidance of conduct may often be greater.

NOTES

1. This characterization is generic and compatible with a number of conceptions of virtues of character. See, e.g., the detailed account given by MacIntyre (1984: chap. 14 and pp. 218–20); and, for other influential conceptions, Nussbaum 1986, Annas 1993, and Swanton 2003. Nussbaum and Annas are particularly insightful in developing Aristotelian accounts of human good; and Swanton offers, as a widely shared conception of a virtue, “a good quality of character, more specifically a disposition to respond to, or acknowledge, items within its field or fields in an excellent or good enough way” (Swanton 2003: 19). For an informative discussion of virtue ethics in relation to business, see Moore 2008.

2. The explanatory power of virtue ascriptions is largely dependent on that of sets of desires and beliefs that are elements in, or appropriately related to, the trait(s) in question. This article presupposes no particular descriptive or explanatory power on the part of traits constituting virtues, but these traits should not be taken to have none at all. A skeptical treatment of the explanatory power of traits has been provided by Doris 2002. For critical discussion, see the symposium on this book in Philosophy and Phenomenological Research 71(3) (2005): 632–77.

3. For discussions of many aspects of virtue ethics, see Crisp 1996; Midwest Studies in Philosophy 13 (1988) (an issue devoted to the topic of character and virtue); and Solomon 1992. A more recent study, particularly pertinent to virtue ethics in education and role modeling is Hartman 2006. For some applications of virtue ethics in business, see Murphy 1999, and for a detailed treatment of virtue ethics that contrasts it with Kantian ethics and stresses its elements of continuity with utilitarianism, Slote 1992.

4. Here and in the next few paragraphs I develop ideas found in Audi 1995. Swanton makes heavy use of the metaphor (introduced there) of the target of a virtue and elaborates on other elements among the six I characterize; see, e.g., Swanton 2003: 231–39. This article concerns mainly moral virtues, but what is said about virtue in general largely applies to intellectual and other virtues.

5. Special problems are created by such groups as religious communities and military units, particularly in times of crisis or war. Here explicit promises of obedience may make fidelity more demanding than it would otherwise be, and in extreme cases, such as war service, conduct ordinarily required by one virtue, such as beneficence or compassion, may be prohibited by another, say fidelity to the war effort. The latter, however, should not be understood so as to license atrocities.

6. This is a subtle matter. As Gert notes in Gert 2005, in certain cases, those he calls matters of moral ideals (as opposed to duties), such as which of several deserving charities to give to, one need not be impartial and can choose as one simply prefers. Notice, however, that one could not permissibly exaggerate the merits of one charity in order to justify preferring it over another.

7. Two points are in order here. First, this formulation though intentionaly vague, should serve our purposes. Second, I do not think beliefs can carry all the motivation required; but for this article, as opposed
to a full-scale analysis of traits, what is essential to the point is only that traits require both a cognitive and a motivational dimension. It is at least more perspicuous to separate these as I do.

8. The importance of cognitive and motivational elements in virtues of character may in part underlie Hurka’s attitudinal definition (which he considers “to some extent” stipulative): “The moral virtues are those attitudes to goods and evils that are intrinsically good, and the vices are those attitudes to goods and evils that are intrinsically evil” (Hurka 2001: 20). As I characterize moral virtue, it would at least tend to embody such an attitude; but I differ from Hurka in not treating vice as a precise counterpart of virtue.

9. The idea that traits rather than acts are ethically central for Aristotle should not be accepted unqualifiedly. In addition to taking certain acts and emotions to be by their nature base (1107a), he stressed the development of virtue by habituation. To be sure, on the one hand, we might think that it is only because of being countervirtuous in a trait-theoretic sense that the relevant acts are base, and one might claim that it is only a contingent fact that the kinds of acts we stress to children in aiding their moral development—say, truth-telling, promise-keeping, and rendering aid—are appropriate to the relevant virtues. But a case can also be made that Aristotle’s took traits to have a two-way conceptual connection with act-types: perhaps he viewed the virtues as essentially leading to certain act-types under favorable conditions, while taking at least some of those types to be crucial for understanding the virtue concepts in question. In, e.g., 1129a, he says, “everyone means by justice the same kind of state, namely, that which disposes people to do just actions, act justly, and wish for what is just.” Note too that virtues can be ethically central for the notion of moral worth even if they are not central—or not the only element ethically central—for the notion of moral obligation.

10. A detailed case showing the inadequacy of an instrumentalist (“economic”) conception of practical rationality (including moral cases) is provided in Audi 2002.


12. This point holds for reasons indicated in some detail in Weaver, Treviño, and Agle 2005. It should be stressed that role-modeling is particularly effective in the day-to-day activities of a craft. For an indication of how craftsmanship—in a wide sense—is important in business, see Moore 2005.

13. Swanton 2003 also distinguishes acting virtuously from acting from virtue; and although she does not make just the point made here, her contrast is informative and supports it. See, e.g., Swanton 2003: 238–39.

14. Hursthouse, e.g., who provides a subjunctive characterization of what constitutes a right act as “what a virtuous agent would characteristically (i.e., acting in character) do in the circumstances.” See Hursthouse 1996 and 2000. This kind of account is criticized by Johnson in Johnson 2003.

15. In Audi 2006, which, though focused on rules, makes a number of points bearing on the degree of generality to be expected in the application of any ethical concepts.

16. For this now famous list of obligations and some important commentary on it, see Ross 1930. As a major interpreter of Aristotle who approvingly quotes Aristotle’s view that in many cases ethical “decision rests with perception” (Nicomachean Ethics 1109b23, 1126b4), Ross would likely have argued that Anscombe (1958) overstated the contrast between virtue and rule ethics—at least as the latter is understood by Ross and later intuitionists, such as Audi (2004).

17. ‘Reflective equilibrium’ received much currency after A Theory of Justice (Rawls 1971). To illustrate, consider a drug company that learns by experience that a single publicized illness clearly attributable to its product is so costly that even a low probability of this warrants a recall. The standard arising from this case might replace an earlier standard—one which is now in disequilibrium with the facts—that would calculate the likely cost of a recall against the probability of such an illness and would tolerate a small number of non-fatal cases given a favorable cost-benefit ratio. The replacement corrects an imbalance caused by the discovery conjoined with the earlier standard. Achieving balance may also involve comparing different requirements of virtue, say the demands of fidelity to shareholders, who seek profit, and of caring (beneficence) toward employees, who need expensive safety devices. For an informative recent discussion of reflective equilibrium, see DePaul 2006.

18. For helpful comments on earlier drafts or some of the ideas in this article, I am grateful to Roger Crisp, Alejo Sison, David Solomon, anonymous readers for the Journal, and, especially, Edwin Hartman.
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